



State Senator

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GOVERNMENT IN FOCUS: Education

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In May, Livingston County voters are going to the polls to decide whether or not they will increase their own taxes to help support their schools. I have been asked by both sides, and the Livingston County Daily Press & Argus to be a leader on this issue and take a position. Of course the definition of "leadership" in this case requires that I agree with the particular group asking me for their support. If I agree to support the millage increase, those opposed to it will brand me a "tax raiser". If I come out against the millage, I am against supporting education, and by extension, our county schools. While I am not afraid to make a decision, neither of those statements would be true. My goal here is to provide information thus far missing from this discussion. My hope is that the voters who are unsure what to do will finally have the full picture of school funding. They can then decide what to do after hearing from all sides.

First, let me say that we have some of the finest schools in the state. Having visited most, if not all, the schools in the county, I find that we have many dedicated teachers doing an outstanding job. What they do (teach our children) has a great deal to do with the future success of our state and our country. With this in mind, education has to be our number one priority. So, it bothers me immensely to hear discussions claiming that the state does not make education its top priority; that the state hasn't done everything it can for our schools, and that Livingston County's legislators don't care, or are not doing anything about the schools' financial situation.

Despite what some people are saying, absolutely none of those statements are true. Just because you may not be reading in the paper that we are tackling the issue, doesn't mean that we are not working to deal with the funding concerns. Unfortunately, the news media gives the general reader a false sense of perspective when they focus primarily on reporting controversial topics, e.g. posting the Ten Commandments at the state capitol. Issues like that, while important to many, but not to all, represent perhaps 1% of the time and energy spent on dealing with state problems. Unfortunately for the sake of perspective, most of what happens legislatively goes unreported because it is not controversial. So when I read comments that we should spend more time on school funding and other issues as opposed to topics like the Ten Commandments, I am more than disappointed with some of the media. If they covered the legislative process more thoroughly, they would see a different perspective. In fact, they ought to know better.

Now back to school funding. First, the largest single expenditure the state makes is to the School Aid Fund (SAF). Total spending for K-12 education is \$12.5 billion out of a total state budget of \$39.1 billion. This represents 32% of the entire state budget. The overall state budget consists of state taxes, state fees, and federal dollars. If we compare the school aid budget, \$12.5 billion, to the state's General Fund/General Purpose (GF/GP) budget of \$8.6 billion (which does not include fees or federal funding), we can clearly see that the state's number one priority is school funding.

When Proposal A passed, legislators and educators were aware that when times were good, school funding would benefit. When economic times were not well, then schools would feel the affect of reduced funding. A look at the period since Proposal A passed will reveal that education funding increased by 41% while inflation increased by 27%. Between Fiscal Year (FY) 1995 and FY 2002, funding for schools increased at 2.5 times the rate of inflation.

Unfortunately, the last two to three years have not been kind to this state, and because of it, we have not kept pace with inflation. Some say that the state's economic demise was a result of poor fiscal policies by the previous administration. If that were true, then Governor Engler's policies also affected the other 49 states causing their budget problems as well. Obviously, that is not the case. A recession which began in 2000, coupled with the attack on 9-11, and the resulting wars which followed have significantly hindered the state's economy. When you add this to the massive loss of manufacturing jobs due to global competition and increased technological efficiency, you can begin to see why Michigan has struggled.

This brings us to the current state of funding for schools. School funding has been frozen or cut in the last two to three years. The state promised to give school districts a minimum of \$6,700 per student. To date the state has been unable to deliver on that promise. When the SAF started feeling the affects of the economy, Governor Engler and the legislature moved \$350 million from the state's rainy day fund over to the SAF so that school funding would not have to be cut. Yet, commercials during the latest gubernatorial campaign accused the previous administration of "blowing" the state's reserves. I do not believe shoring up the SAF was a waste of money as the commercials implied.

When Governor Granholm took office, one of her first acts was to announce that school funding had to be cut. However, the republican-controlled legislature understood that she had no choice. The law requires her to make cuts once she knows that there are insufficient revenues to support the spending. So the legislature took the lead and in a bi-partisan effort cut spending in others areas and moved millions of dollars to the SAF to reduce the actual amount of cuts schools had to take. We would have done more if it had been possible. For those who doubt me, the Governor could have proposed more cuts so that we could shift more dollars to the SAF, but she did not because she knew the state could not afford to do so and meet other critical state needs. This past year, the Governor, faced with the same dilemma once again ordered more cuts and once again the legislature slashed spending from other budgets to move money to the SAF. These cuts and shifts from other programs were not painless, but the legislature is, and has been, committed to making education its top priority.

Unfortunately, we hear from the school community that it's not enough. Perhaps, but where do find more money? It's simple. We either raise taxes or cut spending. And if we cut spending, where do we start? Do we close state prisons and release felons out to the public? Do we reduce funding for state troopers and their DNA crime lab? Do we cut revenue sharing to our local governments? Do we cut Medicaid spending and leave people with no recourse except to go to hospital emergency rooms and thus raise health care costs even more? These are not statements intended to scare anyone. They are real choices we face as we try to balance ALL of the state's needs. Speaking of cuts, and despite the small size of their budgets, the legislature and the governor's office have reduced spending, laid-off employees, and made significant changes in how we conduct business to hold down the cost of operating the state. Also, state employees are facing huge workloads as they try and keep up with demand with fewer workers. Just as the state, small businesses and individual families attempt to live within its means, so must schools. Since the state has not been able to keep up with inflation over the last two years, and if schools cannot live within the resources they have, then they must go to the people and ask for a tax increase or reduce their costs.

A number of weeks ago, I was asked when Lansing would recognize that schools were in a crisis. My response, "When schools close down." was met with disbelief. Unfortunately, the reason that statement is true is because the legislature is divided as to how to fix the problem. One group of legislators believes we need to raise taxes. The other side believes the state and schools should cut spending. Currently, the side that is opposed to raising taxes at the state level is in the majority. So with the state unwilling to raise taxes across the board and there being insufficient resources to deal with the growing cost pressures schools are feeling, county schools are going to local tax payers for help.

Those opposed to the millage believe the schools need to cut their spending. However, in defense of the schools, I have seen the numbers for three of Livingston County's school districts. They have been making cuts. I am familiar with one of the other district's financial situation because they had to make

significant adjustments to get back in the black. Several schools have dipped into their reserves, just as the state has done. Fortunately for them, for the last ten years each school has actually received more money from the state than they did the previous year with one exception. This past year was the first time that one schools, Brighton, actually received less money than the prior year. The reason schools were able to get more money than the previous year was due to the phenomenal growth Livingston County schools have enjoyed. Even though this is the case, with increased growth comes increased costs. Schools have to buy more textbooks, hire more teachers, drive more bus miles, etcetera. These costs have virtually eliminated whatever additional funds have come into the schools.

Last year the legislature held hearings asking school superintendents from around the state how we could help them shave spending. For the most part, school officials who testified wanted more money. Livingston County superintendents, on the other hand, made suggestions to me regarding lengths of school days, length of the school year, pension costs, and health care costs. Based on those suggestions, over the last two years, I have either introduced legislation or co-sponsored bills which would help schools reduce their costs. One idea became law last year. The others are waiting for hearings. Unfortunately, we are facing significant resistance from the teachers' union. Teachers are being told that the legislature is trying to reduce their benefits. That is absolutely not true. What we are doing is conducting a study to see if by pooling all the health care needs of the schools into the state's health care system, we can save schools money. If it works, teachers will be able to maintain the same standard of health care they are use to while saving the SAF hundreds of millions of dollars. We would be derelict in our duty if we didn't at least look to see if there are some savings there. Don't get me wrong, no one is blaming the teachers for school funding shortages. What we are attempting to do is hold down the fastest rising expense for schools. By comparison, the private sector is reducing their health care benefits and increasing co-pays.

One question often asked is "Where happened to the lottery money." The answer is that ALL the lottery profits are going to the SAF. The amount is over \$600 million or approximately 5% of the entire SAF. Obviously, we can not depend solely on the lottery to provide school funding.

In conclusion, my point has not been to support or oppose the county school millage. Rather, it has been to provide a perspective on what the state has done to provide school funding. We were pretty successful until three years ago. Next year it appears we will finally be able to see an actual increase if the revenues hold up. In the meantime, you as a tax payer have to decide, should schools live within their means if the state cannot provide any more assistance? Or are you willing to raise your own taxes to make sure they can continue to run programs you wish to see maintained. The choice is yours. The legislature has done everything possible to help fund schools, but when the money is not there, **the money is not there.**